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Sent: Saturday, October 22, 2005 4:29 PM
To: ATR-Real Estate Workshop
Subject:

Against mandated services and Realtor-membership tied to MLS-access

We are a full-service brokerage, yet have been outspoken advocates of maintaining a free marketplace in Michigan. We label the proposal of mandated "minimum service" legislation what it actually is ~ an attempt on the part of the Michigan Association of Realtors to legally kill off the competitors of its traditional franchises. By our understanding of antitrust laws, our assessment is that this scheme is one of task-fixing, thus cost-rigging/cost-stabilizing, which is tacit price-fixing. Along with that, it is more than obvious that it is a set-up for MLS Boards to deny or segregate access by certain non-traditional brokerages.

Because we are located in a resort with gated communities, our sellers rely upon the exposure that the MLS provides. Some sellers would require only MLS exposure in order to produce buyers for their very desirable properties. Legislation of this nature would lock them into having no choice but to contract with a full-service brokerage. Added to that restriction is the necessity of the seller hiring only a Realtor-association member, due to MLS access being denied to non-member brokers. Being already licensed as real estate professionals, we strongly object to the tying of a Realtor-membership purchase with the ability to then purchase critical MLS business-access/products that consumers demand.

If the marketplace is kept free of the restraint that this powerful trade union seeks, our firm anticipates purchasing qualified leads from evolving companies that intend to specialize in lead-generation, and we would pass any aggregate savings along to consumers. Our buyers come from Chicago, and are quite comfortable pre-shopping on the Internet for vacation or retirement homes here. On one occasion, a buyer flew in from another state, saw only the singular property found via the Internet and made an immediate offer. It was a winning situation for all parties and one that we desire to repeat. We are currently offering a 50% commission rebate (from our standard rate) to the buyer on our Buyer-agency contracts, also rebating any commission over that amount when it's offered within the property seller's listing contract.

To conclude, we welcome the cost-saving, time saving, consumer-driven evolution occurring in our industry. Those of us innovative brokerages, who are not represented by the National Association of Realtors even though they include us in the body count, appreciate the advocacy offered by the FTC and the Justice Department on our behalf. The industry is bogged down with practitioners who don't have the combined business, social and professional skills required to survive. Competition must be allowed to cause some much-needed right-sizing.

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